



# STATE OF IOWA

CHESTER J. CULVER, GOVERNOR  
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DEPARTMENT OF HUMAN SERVICES  
CHARLES J. KROGMEIER, DIRECTOR

## INFORMATIONAL LETTER NO. 945

**DATE:** September 24, 2010

**TO:** Iowa Medicaid Physicians, Skilled Nursing Facilities, Intermediate Care Facilities, Community Based ICF/MR, Medical Supply and Pharmacy Providers

**ISSUED BY:** Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

**RE:** Oxygen – Coverage for Small Children, Criteria in Nursing Homes and Documentation Submitted with Claims  
Oral Nutritional Products in Nursing Homes Clarification  
Addition of “RB” Modifier for Like Replacement Parts  
Rent to Purchase Clarification

**EFFECTIVE:** October 1, 2010

### Oxygen

- 1) Coverage for Small Children – For dates of service on or after October 1, 2010, home oxygen equipment and oxygen are covered for children through three years of age when prescribed by a physician, physician assistant or advanced registered nurse practitioner. Significant hypoxemia is not required for these children. A pulse oximeter reading must be obtained at one year of age and at two years of age and documented in the provider record.
- 2) Criteria in Nursing Homes – Separate payment is allowed for oxygen provided to Medicaid members in nursing facilities and ICF/MRs when the member has significant hypoxemia as defined by Medicare and evidenced by supporting medical documentation and the member requires oxygen for 12 or more hours per day for at least 30 days.
- 3) Documentation Submitted with Claims – The following documentation must be maintained in the provider record. It does not need to be submitted with oxygen claims.
  - a. The physician prescription, and the number of hours oxygen is required per day.
  - b. The diagnosis of the disease requiring oxygen, prognosis, and length of time the oxygen will be needed.
  - c. Documentation of hypoxemia for members four years of age and older in accordance with Medicare criteria.
  - d. The oxygen flow rate and concentration, and the type of system ordered.
  - e. A specific estimate of the frequency and duration of use.
  - f. The initial and ending reading on the time meter clock on each concentrator and the dates of each reading, where applicable.

## **Oral Nutritional Products in Nursing Homes Clarification**

Nutritional products consumed orally by members in nursing homes and ICF/MRs are not separately payable.

### **“RB” Modifier**

The “RB” modifier has been added to the Medicaid claims payment system and should be used when billing K0108 wheelchair repairs to indicate that the item being replaced is a “like for like” component or accessory. When the “RB” modifier is billed, it is no longer necessary to document “like for like” with the claim. The “RB” modifier should also be used when billing a specific HCPC or E1399 for a “like for like” replacement part.

Note: Items billed with K0108 for less than \$50.00 do not need to have an invoice attached.

### **Rent to Purchase Clarification**

Informational Letter 893, dated April 1, 2010 advised that rental payments are not allowed after 10 months of rental payments have been made. The equipment is considered patient owned when the title is transferred to the member. Medicaid would then allow reimbursement for necessary repairs or maintenance of the equipment. If the provider is leasing the equipment from a manufacturer or has a policy of maintaining ownership of the equipment after the 10 months and the title is not transferred to the member, the equipment is not patient owned and no payment for repairs or maintenance is allowed.

If you have any questions, please contact the IME Provider Services Unit, 1-800-338-7909, locally 515-256-4609 or by e-mail at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us)